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# MILLER ISAR INC.

REGULATORY CONSULTANTS

ANDREW O. ISAR

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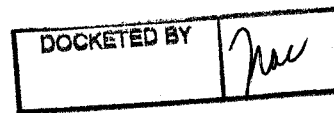
AZ CORP COMMISSION  
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July 13, 2001

Docket Control  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007-2996

Arizona Corporation Commission  
**DOCKETED**

JUL 16 2001



RE: Transcommunications, Inc., Docket No. T-03232A-96-0428, Decision  
63525

To Whom it May Concern:

Transcommunications, Incorporated ("Transcommunications"), by its regulatory consultants, hereby responds to Commission's June 26, 2001 *First Notice of Past Due Compliance* ("Notice") in the above-captioned proceeding. Transcommunications submits the attached Fair Value Rate Base (FVRB) information to the Commission pursuant to ordering paragraph 3 of Commission Decision 63525. Transcommunications disputes the Commission's determination that the company is "delinquent" in its compliance, however, as characterized by the Commission's Notice, and requests that the Commission reflect the company's timely compliance as a matter of record.

Pursuant to ordering paragraph 3 of Decision 63525, the grant of Transcommunications' application for Certificate of Convenience and Necessity ("CC&N") for authority to provide competitive resold interexchange telecommunications services, Transcommunications is to provide FVRB information within 18 months of the date that it first provides service in Arizona. Ordering paragraph 3 provides further, however, that Transcommunications shall also file FVRB information detailing the total actual operating revenues and expenses for the *first twelve months* of telecommunications service provided to Arizona customers *following certification*.

Docket Control  
July 13, 2001  
Page 2

Per the Commission's Notice, Transcommunications is now "delinquent" in submitting FVRB information in accordance with ordering paragraph 3 of Decision 63525. Although Transcommunications has provided intrastate interexchange telecommunications service in Arizona since 1996 on an interim basis, pending final Commission approval of its CC&N application, Transcommunications' CC&N was not granted until March 30, 2001. Transcommunications can only comply with the Commission's FVRB revenue and operating expense submission requirements, therefore, no earlier than March 30, 2002, the twelve month anniversary of the grant of its CC&N.

In light of the foregoing, Transcommunications should not be considered delinquent in its compliance with its FVRB obligation. Transcommunications submission of FVRB should be considered timely, if not premature, and the record should so state.

Questions may be directed to the undersigned.

Sincerely,

MILLER ISAR, INC.



Andrew O. Isar

Regulatory Consultants for  
Transcommunications, Incorporated

cc: Mr.. Patrick C. Williams  
Manager, Compliance and Enforcement  
Utilities Division

**Transcommunications, Incorporated**

**Arizona Fair Value Rate Base Information Report  
(Docket No. T-03232A-96-0428, Decision 63525)**

**July 11, 2001**

**Dollar amount representing the total revenue for the first twelve months of telecommunications service provided to Arizona customers following certification, adjusted to reflect the maximum rates that Transcommunications Incorporated requests in its tariff.**

Transcommunications has not operated for twelve months following certification. In lieu of the dollar amount representing the total revenue for the first twelve months of telecommunications service provided to Arizona customers following certification, Transcommunications provides intrastate revenues for its first and most recent years of operation in Arizona as follows:

1997	\$54,052.00
2000	\$58,771.00

**Total actual operating expenses for the first twelve months of telecommunications service provided to Arizona customers following certification.**

Transcommunications has not operated for twelve months following certification. In lieu of the dollar amount representing the operating expenses for the first twelve months of telecommunications service provided to Arizona customers following certification, Transcommunications provides intrastate operating expenses for its first and most recent years of operation in Arizona as follows:

1997	\$53,412.00
2000	\$53,602.00

**A description and value of all assets, including plant, equipment, and office supplies, to be used to provide telecommunications service to Arizona customers for the first twelve months following Transcommunications Incorporated's certification.**

Transcommunications owns 41 vending machines located in Arizona, whose combined value is \$133,721.00 Transcommunications does not otherwise own or maintain plant, equipment, offices , or other assets in Arizona.

COPY

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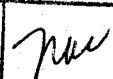
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